



European Parliament
60, Rue Wiertz
Brussels
Belgium

Letter to Jonathan Taylor, Vice President of the European Investment Bank

Tuesday 26th April 2016

Dear Mr Taylor,

It is disappointing to learn that the European Investment Bank (EIB) continues to support incineration projects in the UK, including one in the South West of England, the region that I represent.

I understand that between 2009 and 2016, the EIB has agreed loans with a total value of £512m for investment in UK waste incineration, with plants located in Manchester, Allerton (North Yorks), Cardiff and now Cornwall.

I was particularly concerned to hear that SITA is to go-ahead with building the controversial St Dennis waste to energy facility in Cornwall under a 30 year Private Finance Initiative (PFI) contract worth £1.1 billion, and that this project will benefit from an £80m loan from the EIB. I would be grateful if you could confirm the assessment criteria used in determining this application for investment, and crucially whether any environmental criteria were included or if the assessment was restricted to an economic appraisal of the project?

These continued investments come despite predictions that UK incineration will reach over-supply levels by around 2020 (as is already the case in Germany, the Netherlands and Sweden).

The European Parliament's Committee on Economic & Monetary Affairs has called on the EIB to follow the recommendations of the European Commission and the Waste Framework Directive and prioritise investment in projects placed at the top of the waste hierarchy, and to phase out any investment in end-of-pipeline infrastructure, such as landfill, mechanical biological treatment plant, incineration or other forms of energy recovery (see opinion 2015/2127 (INI) on the EIB Annual Report, dated 06.11.2015).

The committee did note the urgent need for an increase in EIB lending activity; and asked Member States to explore innovative ways for stimulating credit demand in future-oriented and job-rich activities such as renewables, resource efficiency and the circular economy.

As the new Circular Economy package is adopted by the European Commission, it is a timely reminder that we should be moving waste management processes up the waste hierarchy, keeping our material resources in use and investing in waste prevention and waste preparation for re-use or recycling.

Further investment in incineration is not in the spirit of the circular economy concept and results in valuable materials being lost from the economy.

The Committee on Economic & Monetary Affairs also called on the EIB to conduct an audit of the skills of its current members to assess whether they are suitably qualified to make

judgements about the environmental impact of projects seeking EIB funding. I would be grateful if you could update me on progress in this regard.

Once again I would urge the EIB to present a comprehensive phase-out plan of its lending for non-renewable energy, including its excessive support for large scale gas infrastructure and for energy from waste incineration projects, and instead to ensure environmental criteria feature more highly in the assessment process for applications.

I look forward to hearing from you.

Yours sincerely,



Molly Scott Cato MEP

Member of the European Parliament for the South West and Gibraltar